Chapter 2
Health Industry an Overview

2.0 Present State of Health Sector

Health sector has done real wonders in past few decades; today man has control on many incurable diseases. In all field of this sector there has been tremendous development whether it is cardiology, orthopaedics etc. heart, kidney, eye transplant is a reality now, hundreds of patients are taking advantage of these developments. There has been phenomenon progress in the field of radiology and pathology, which are the base of treatment, because these two sectors help in diagnosing the illness. And developments like Ultra sound (Sonography), MRI etc have really made diagnosis very simple and accurate. Today operations can be done through keyhole, through robotic hands. Information technology has also played a big role in this sector; today doctors in one part of the world can treat a patient in other part. Even operations are being done through video conferencing. One can access the profile of a patient in any part of the world through Internet.

According to World Health Organisation report (1997), Half a century ago, most people died before the age of 50. Now, the
great majority live well beyond that age. Global average life expectancy at birth reached 65 years in 1996.

We have also seen growth in the availability of this service; with participation of private sector this segment has grown a very high pace. In big cities like Delhi, Mumbai there are hundreds of hospital and clinics, which are working round the clock, and they are serving patients. Commercially it is one of the best growing service industry today. Today Indian healthcare industry is estimated to be close to Rs. 1,00,000 crore, and is expected to grow at steady 15 per cent annually (Palety, P. 2002).

2.1 Grey area of health sector

Even with these great achievements, as discussed above, not all is good with the health sector. India continues to lag behind in this sector even today after Fifty-six years of independence. World Health Organisations norms say, population to bed ratio should be 1 bed per 300, but in India, this ratio is 1 bed per 1000. Although India has around 13,000 hospitals approximately, which have adequate facilities but for a country of population above one billion it is not great news. Even their distribution is not uniform in states like Maharashtra there are
above 3000 hospitals and Kerala has about 2000 but states like Haryana or Himachal have less then 100.

The remarkable growth that we are witnessing in private and public hospitals, in the urban areas, has been good and bad for the consumers. It's good because quality choice really follows the coming of age of any industry and more so in health care. But due to absence of compliance of strict regulation and quality standards, an abundance of choice also gives a free run to dubious health facilities run by urban quacks.

A study conducted in Greece wondered about hospital service, bad diagnosis, unnecessary treatment, over prescription of drugs and lab test errors, Karydis, A (2001). The association between economic performance and quality of care is an essential aspect of the production of health services, Laine, J (2005).

According to President's Advisory Commission on Consumer Protection and Quality in the Health Care Industry, United States 1998

"Exhaustive research documents the fact that today, in America, there is no guarantee that any individual will receive high-quality care for any particular health problem."
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According to Schuster, M.S., McGlynn, E.A. and Brook, R.H (1998) one can pay dearly for a mistake in picking a doctor. They have given following facts, in their study, according to which:

- 40% of patients with chronic conditions do not get the treatments recommended by the medical literature.
- 20% of patients with chronic conditions get the wrong care.
- 30% of patients with acute conditions get the wrong care.

Example: Only 44% of women with breast cancer receive breast-conserving surgery (lumpectomy) even though 75% of women are eligible for it.

Richardson, W.C (1999) in his study has found that medical errors kill between 44,000 and 98,000 people a year.

US health care is described as "the world's largest service industry," the quality of service—that is, the characteristics that shape the experience of care beyond technical competence—is rarely discussed in the medical literature, Kenagy, J W (1999). In a landmark report submitted to President Clinton, W.J. the Advisory Commission (1997) on Consumer Protection and Quality in the Health Care Industry called for a "national commitment to the measurement,
improvement, and maintenance of high-quality care for all Americans." As part of that effort, the Commission called for the creation of a Forum for Health Care Quality Measurement and Reporting "to develop and implement effective, efficient, and coordinated strategies for ensuring the widespread public availability of valid and reliable information on quality."

Report documents some of the existing quality problems in the health care system and identifies current strategies that have proven effective at improving quality outcomes, increasing confidence, and often reducing health care costs. It also underscores why a national effort is needed to improve the quality of health care.

2.2 Confronting Quality Problems

There are several areas where the quality of American health care is falling short, including under use, overuse, misuse, and variation in use of health care services. Defining and measuring the quality of care in long term care facilities is a multidimensional and complex issue with several pitfalls, Berg, K (2002). Poverty and health are closely interrelated in an often-vicious cycle, with one being the cause or consequence of the other. Bhushan, I. (2002). In most countries health
professionals have assumed a cultural role as trusted healers who are above suspicion. (Savedoff, W.D. 2004).

New health data shows improvement in quality of life since 1992. Public health services in India have worsened over the same period. Patnaik, I (2006, A). In the absence of accountability, our health outcomes are worse than those of many Asian countries. Patnaik, I (2006, B).

2.2.1 Under use of Services: The failure to provide a needed service can lead to additional complications, higher costs, and premature deaths. For example, a study of heart attack patients found that nearly 80 percent did not receive life-saving beta-blocker treatment, leading to as many as 18,000 unnecessary deaths each year (Soumerai, 1997). A survey of managed care plans by the National Committee for Quality Assurance (NCQA) found that 60 percent of diabetics' age 31 and older had not received a recommended eye exam in the previous year. The same survey reported that 30 percent of women age 52 to 69 had not had a mammogram in the previous 2 years, and 30 percent of women between ages 21 and 64 had not had a Pap smear in the previous 3 years, despite the fact that early screening reduces mortality.
2.2.2 Overuse of Services. Unnecessary services add costs and can lead to complications that undermine the health of patients. For example, half of all patients diagnosed with a common cold are incorrectly prescribed antibiotics. Overuse of antibiotics has been shown to lead to resistance (Gonzales, 1997) and as much as $7.5 billion a year in excess costs (Phelps, 1989). Another study found that 16 percent of hysterectomies performed in the United States were unnecessary.

2.2.3 Misuse of Services: Errors in health care delivery lead to missed or delayed diagnoses, higher costs, and unnecessary injuries and deaths. A study of New York State hospitals found 1 in 25 patients were injured by the care they received and deaths occurred in 13.6 percent of those cases. Negligence was blamed for 27.6 percent of the injuries and 51.3 percent of the deaths. Based on this study, researchers estimated that preventable errors in hospital care led to 180,000 deaths per year (Leape, 1994). Researchers estimate that as many as 30 percent of Pap smear test results were incorrectly classified as normal.

2.2.4 Variation of Services: There are significant variations in the practice of medicine across the United States, among regions, and even within communities. For example, hospital discharge rates are 49 percent higher in the Northeast than they
are in the West (Graves and Gillum, 1997). A person with diabetes is one-and-a-half times as likely to get a needed eye exam in New England as in a Southern state.

2.3 Role of consumer organizations

Consumer organisations worldwide use the eight consumer rights to lobby on behalf of consumers and validate the views of consumers. Consumers' Health Forum has adapted the rights to their own areas of interest.

These rights outline the basic needs of health consumers:

- **The right to satisfaction of basic needs** - food, clothing, shelter, health care, and education.
- **The right to safety** - protection against products, production processes, and services, which are hazardous to health or life.
- **The right to be informed** - given the facts needed to make an informed choice, and protected against dishonest or misleading advertising and labelling.
- **The right to choose** - to select from a range of products and services, offered at competitive prices with an assurance of satisfactory quality.
• **The right to be heard** - to have consumer interests represented in the making and execution of government policy and in the development of products and services.

• **The right to redress** - to receive a fair settlement of just claims, including compensation for misrepresentation, shoddy goods, or unsatisfactory services.

• **The right to consumer education** - to acquire knowledge and skills needed to make informed, confident, choices about goods and services, while having an awareness of basic consumer rights and responsibilities.

• **The right to a healthy environment** - to live and work in an environment, which is non-threatening to the well being of present and future generations.